



**CONTROL.  
POWER.  
DEFEND.**

**CURTISS -  
WRIGHT**

2016 Annual Report

# CURTISS - WRIGHT

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WE CONTINUE TO DELIVER ON THE ONE CURTISS-WRIGHT VISION. WE ARE FOCUSED ON DRIVING OPERATIONAL EXCELLENCE AND FINANCIAL DISCIPLINE IN ORDER TO ACHIEVE TOP QUARTILE PERFORMANCE, WHILE POSITIONING THE COMPANY FOR RENEWED GROWTH ACROSS OUR COMMERCIAL, INDUSTRIAL, DEFENSE AND POWER MARKETS.

Curtiss-Wright Corporation is a global diversified industrial company built on long-standing customer relationships, leading market positions and advanced, highly-engineered technologies. Our legacy dates back to 1929 with the merger of companies founded by aviation pioneers Glenn Curtiss and the Wright Brothers.

Headquartered in Charlotte, N.C., Curtiss-Wright employs approximately 8,000 men and women dedicated to providing outstanding service and innovative products to customers worldwide.



We encourage you to read the on-line annual report at  
[www.curtisswright.com/investors/annual-report-and-proxy](http://www.curtisswright.com/investors/annual-report-and-proxy)

# 2016 FINANCIAL HIGHLIGHTS<sup>1</sup>

## NET SALES



## OPERATING INCOME



## OPERATING MARGIN



## DILUTED EARNINGS PER SHARE



## FREE CASH FLOW<sup>2</sup>



<sup>1</sup> All figures reported on a continuing operations basis. Dollars in millions, except per share data. 2015 Pro Forma results exclude the one-time China AP1000<sup>®</sup> fee of \$20 million recognized as revenue and operating income in the fourth quarter of 2015.

<sup>2</sup> Free cash flow is defined as cash flow from operations less capital expenditures. 2015 adjusted to remove the \$145 million contribution to the Company's corporate defined benefit pension plan.

\*Announced Dec. 2016; closed Jan. 2017. Financials in this document do not include the results of the acquisition.

## NOTEWORTHY ACCOMPLISHMENTS

Added to S&P  
MidCap 400 Index

Exceeded \$100  
share price for  
first time ever

Eclipsed \$4 billion  
in market  
capitalization

Acquired Teletronics  
Technology  
Corporation\*

# CONTROL IS CRITICAL TO SUCCESS.

Through our 'Own the Cab' strategy, we strive to be the leading electronic systems integrator for the heavy-duty, class 8 truck market.

## COMMERCIAL/INDUSTRIAL SEGMENT SALES BY END MARKET (2016)

44%

GENERAL  
INDUSTRIAL

32%

COMMERCIAL  
AEROSPACE

9%

AEROSPACE  
DEFENSE

9%

NAVAL  
DEFENSE

6%

POWER  
GENERATION

**CURTISS-WRIGHT PROVIDES VITAL CONTROL SOLUTIONS FOR A MULTITUDE OF COMMERCIAL AND INDUSTRIAL APPLICATIONS, INCLUDING INNOVATIVE HUMAN-MACHINE INTERFACE APPLICATIONS, MUST-NOT-FAIL SENSORS AND SURFACE TREATMENT SERVICES, AND CRITICAL VALVE TECHNOLOGIES.**

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As a leading provider of joysticks, sensors, throttle controllers and power electronics to on- and off-highway vehicles, our solutions drive higher operating efficiencies and also support the global emphasis on reduced pollution and stringent emissions regulations. Further, our sophisticated control systems play a key role in the medical mobility industry's evolution to more advanced wheelchairs.

For more than 100 years, Curtiss-Wright has played a significant role in the commercial aerospace market. Today, our sensors, flight controls, actuation systems and critical surface treatment services drive increased aircraft safety, reliability and performance. We have secured content on virtually every current and next generation commercial aerospace platform and stand to benefit from the industry's continued ramp up in the production cycle.

Leveraging a vast, worldwide distribution network, we provide operationally-critical valve technologies and innovative solutions enabling us to solve our customers' most challenging problems to support the longevity of global refineries and chemical plants.

Our highly-engineered pressure relief valves ensure plant safety is safeguarded in severe service environments.



From the nose to the tail, we provide critical technology that enhances the reliability and performance of commercial aircraft.



# WE GENERATE POWER SOLUTIONS.

## POWER SEGMENT SALES BY END MARKET (2016)

35%

NAVAL  
DEFENSE

65%

POWER  
GENERATION

Commercial nuclear power plants  
rely on critical instrumentation  
and control systems.

**CURTISS-WRIGHT ENJOYS A STORIED HISTORY  
POWERING COMMERCIAL PLANTS FOR OVER SIX  
DECADES AND SUPPORTING NAVAL VESSELS  
FOR MORE THAN 150 YEARS WITH LEADING EDGE  
TECHNOLOGIES THAT ARE RELIED UPON TO ENHANCE  
SAFETY, RELIABILITY AND PERFORMANCE IN THE  
MOST DEMANDING ENVIRONMENTS.**

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The worldwide market for nuclear power generation continues to expand as the world looks to meet rising energy demands. We are strategically aligned with the changing market landscape, and through our diversified product portfolio, we are well positioned to capitalize on growth opportunities.

As a critical provider of components and replacement parts, upgrades and modifications, and outage inspection services to operating nuclear reactors globally, we maintain a long-standing commitment to supporting safe, reliable and high performance products in the commercial nuclear power industry.

For new nuclear power plants, we provide critical technology to support the Generation III+ Westinghouse AP1000 reactor design and have the only fully qualified and installed AP1000 reactor coolant pumps (RCPs) in the world.

Since the inception of the first U.S. nuclear submarine and aircraft carrier programs, Curtiss-Wright has been a leading provider of highly-engineered propulsion technology to power the U.S. Nuclear Navy. We are a leader in designing and manufacturing valves, pumps, motors, generators, cable and aircraft handling systems, and electronics for a wide range of markets and our technologies have passed the test of time.



Looking to the future, we expect to remain a key contributor on the new Columbia class nuclear ballistic missile submarine.



# WE SUPPORT THOSE WHO DEFEND.

**CURTISS-WRIGHT IS AN INDUSTRY-LEADING SUPPLIER OF SOPHISTICATED ELECTRONICS PRODUCTS, INCLUDING COMMERCIAL OFF-THE-SHELF (COTS) EMBEDDED COMPUTING SOLUTIONS, UTILIZED BY OUR NATION'S MILITARY AND INTERNATIONAL DEFENSE FORCES.**

We are globally recognized as one of the most innovative designers and manufacturers of highly engineered COTS solutions ruggedized to perform reliably in harsh conditions. From embedded computing to shipboard aircraft and sensor handling systems, Curtiss-Wright supports fighter jets, helicopters and Unmanned Aerial Vehicles (UAVs), as well as naval and

ground defense applications. We routinely demonstrate our ability to design and develop advanced systems and products for high performance applications. As such, Curtiss-Wright is uniquely positioned to benefit from the Department of Defense's ongoing commitment to C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) and Electronic Warfare applications that will ensure our military maintains its technological edge on the battlefield.

Our critical avionics and electronics solutions support flight control instrumentation, flight test, telemetry, ground test, system and structural monitoring, and mission recording on a wide range of defense, commercial aerospace, and space applications. Additionally, our turret drive stabilization systems deliver unmatched target location accuracy and turret stabilization functionality in harsh terrain for a multitude of international ground defense platforms.



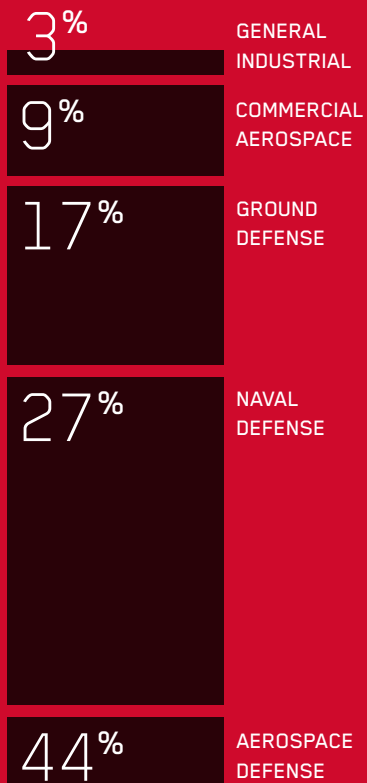


Marines conducting training operations on board a M1A1 Abrams Main Battle Tank.



Through the acquisition of Teletronics Technology Corporation (TTC), we significantly enhanced our position as a leading global supplier of data acquisition and flight test instrumentation systems for the aerospace and defense markets.

DEFENSE SEGMENT SALES BY END MARKET (2016)



# LETTER TO SHAREHOLDERS

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2016 WAS A HIGHLY SUCCESSFUL YEAR FOR CURTISS-WRIGHT. OUR TEAM IS DELIVERING ON THE VISION OF ONE CURTISS-WRIGHT, AND WE ARE ON THE PATH TOWARDS ACHIEVING TOP QUARTILE PERFORMANCE WITHIN OUR PEER GROUP FOR ALL OF OUR KEY FINANCIAL METRICS. IN FACT, THROUGH THE TEAM'S INCREASED EFFICIENCY AND COMPETITIVENESS, WE ALREADY HAVE MET OR EXCEEDED SEVERAL OF THOSE FIVE-YEAR OBJECTIVES – INITIATED IN DECEMBER 2013 – IN ONLY THREE YEARS.

LOOKING TO THE FUTURE, WE ARE POSITIONING THE COMPANY FOR RENEWED GROWTH BY INCREASING OUR INVESTMENTS IN RESEARCH AND DEVELOPMENT, AND SEEKING PRUDENT AND STRATEGIC ACQUISITIONS, WHILE ALSO LOOKING TO CAPITALIZE ON THE IMPROVED ORGANIC GROWTH ENVIRONMENT EXPECTED IN THE COMING YEARS.

## FINANCIAL PERFORMANCE

We achieved solid operational performance in 2016, led by continued margin expansion and very strong free cash flow generation, despite lower sales driven by continued headwinds in our industrial markets. We generated a 6% increase in operating income and a 130 basis point increase in operating margin compared with pro forma 2015 results (which exclude the one-time China AP1000 fee of \$20 million recognized in the fourth quarter of 2015), driving an operating margin of 14.6%. This performance demonstrates the benefits of our ongoing margin improvement initiatives, including our consolidation activities, as well as strong profitability associated with the AP1000® program. As a result of our excellent performance, we achieved our objective of reaching the top quartile of our peer group for operating margin in 2016. Our diluted earnings per share of \$4.20 improved 12% compared with pro forma 2015 results.

In addition, we significantly exceeded expectations with \$376 million in free cash flow in 2016, one of the strongest performances in the Company's history. This equated to 199% free cash flow conversion, as we significantly reduced our working capital. Further, our balance sheet remains healthy and provides a solid base of financial flexibility to continue pursuing our growth strategies.

As a sign of our continued financial success, Curtiss-Wright was added to the S&P MidCap 400 stock market index in 2016. In addition, we experienced solid share price performance this year, as the stock price exceeded \$100 and our market cap eclipsed \$4 Billion, both firsts in the history of our Company. We are very proud of these achievements.

## FOCUS ON RENEWED GROWTH

Looking forward, we remain focused on exceeding the expectations of our customers, fostering solid long-term customer relationships and enhancing value for our shareholders.

While our operational performance has been stellar, we have faced several economic and end market challenges in recent years, particularly in the industrial markets. However, as we look to the future, we believe we are well positioned for renewed top-line growth across our broad and highly diversified technology portfolio of products and services to the commercial aerospace, defense, general industrial and power generation markets.

Within the commercial markets, Curtiss-Wright stands to benefit from the increased focus on human-machine interface applications, hybrid and electric commercial vehicles, powered wheelchairs, the continued production ramp up in commercial aerospace and ongoing support for operating and new build reactors in the commercial nuclear power industry. In the defense markets, we expect to benefit from increased military spending for our nuclear naval propulsion and COTS embedded computing products on leading submarine, aircraft carrier and fighter jet programs.

### DISCIPLINED CAPITAL ALLOCATION STRATEGY

Curtiss-Wright remains committed to a disciplined and balanced capital allocation strategy that consists of reinvesting in our business (including increased R&D in 2017), complementing our organic growth with disciplined acquisitions and providing steady distributions to our shareholders in the form of share repurchases and dividends in order to maximize shareholder value.

Our strong cash performance allowed us to maintain an active share repurchase program, as we repurchased \$100 million in shares in 2016, as well as a steady annual dividend payout of \$0.52 per share. We expect to repurchase at least \$50 million in shares in 2017.

To supplement our expectations for renewed growth, we will also seek strategic acquisitions that further expand our portfolio and support our long-term financial objectives. We did just that with our recent acquisition of Teletronics Technology Corporation (TTC), a leading designer and manufacturer of high-technology, comprehensive data acquisition and flight test instrumentation systems for the aerospace and defense markets.

These collective actions reflect the Board of Directors' continued confidence in our ability to deliver solid, profitable growth and strong free cash flow.

**14.6%**  
OPERATING MARGIN

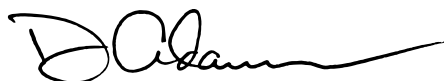
**\$376<sup>M</sup>**  
FREE CASH FLOW

### IN RECOGNITION

It is with sincere best wishes that we announce the retirement of our colleague John R. Myers from our Board of Directors. For 20 years, John has been an integral member of our Board, serving as a member and Chairman of the Executive Compensation Committee, the Committee on Directors and Governance and, from 2014-2015, as Lead Independent Director of the Board. I would like to personally thank John for his enduring dedication and many years of service to Curtiss-Wright and wish him well in his future endeavors.

As always, I would like to thank our 8,000 global employees for their steady drive and commitment to ensuring the Company's future success.

In summary, our team remains confident and focused on enhancing Curtiss-Wright's long-term shareholder value through continued organic investment supplemented with acquisitions, operating margin expansion, significant free cash flow generation and steady distributions to our shareholders. We will continue to deliver on the One Curtiss-Wright vision and look forward to continued successes in 2017.



**DAVID C. ADAMS**

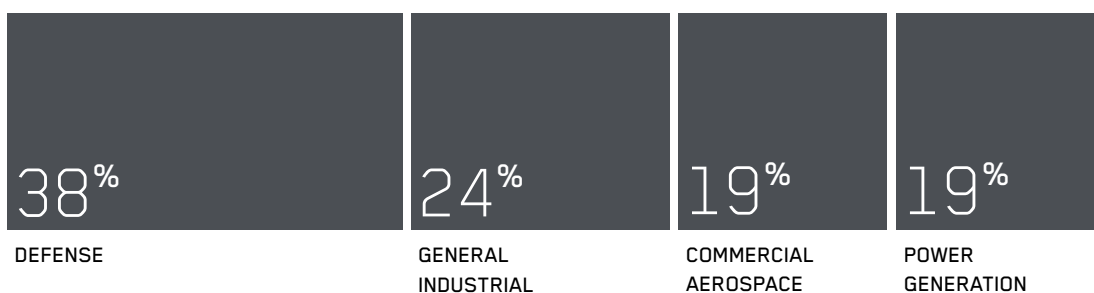
Chairman and Chief Executive Officer



Year ended December 31 (Dollars in millions, except percentages; unaudited)	2016	2015	CHANGE
<b>SALES</b>			
Commercial/Industrial	\$ 1,118.8	\$ 1,184.8	(6%)
Defense	466.6	477.4	(2%)
Power	523.5	543.5	(4%)
<b>TOTAL SALES</b>	<b>\$ 2,108.9</b>	<b>\$ 2,205.7</b>	<b>(4%)</b>
<b>OPERATING INCOME (EXPENSE)</b>			
Commercial/Industrial	\$ 156.5	\$ 171.5	(9%)
Defense	98.3	98.9	(1%)
Power	76.5	75.0	2%
<b>TOTAL SEGMENTS</b>	<b>\$ 331.3</b>	<b>\$ 345.4</b>	<b>(4%)</b>
<b>CORPORATE &amp; OTHER</b>	<b>(23.2)</b>	<b>(34.8)</b>	<b>33%</b>
<b>TOTAL OPERATING INCOME</b>	<b>\$ 308.1</b>	<b>\$ 310.6</b>	<b>(1%)</b>
<b>OPERATING MARGINS</b>			
Commercial/Industrial	14.0%	14.5%	
Defense	21.1%	20.7%	
Power	14.6%	13.8%	
<b>SEGMENT MARGINS</b>	<b>15.7%</b>	<b>15.7%</b>	
<b>TOTAL OPERATING MARGIN</b>	<b>14.6%</b>	<b>14.1%</b>	

Note: Amounts may not add to the total due to rounding.

### END MARKET SALES (2016)





## THREE-YEAR REVIEW

Years ended December 31 (Dollars in millions, except per share data; unaudited)	2016	2015	2014
<b>PERFORMANCE<sup>(1)</sup></b>			
Net Sales	\$ 2,108.9	\$ 2,205.7	\$ 2,243.1
Operating income	\$ 308.1	\$ 310.6	\$ 282.4
Operating margin	14.6%	14.1%	12.6%
Net earnings	\$ 189.4	\$ 192.2	\$ 169.9
<b>EARNINGS PER SHARE</b>			
Basic	\$ 4.27	\$ 4.12	\$ 3.54
Diluted	\$ 4.20	\$ 4.04	\$ 3.46
Dividends per share	\$ 0.52	\$ 0.52	\$ 0.52
<b>YEAR-END FINANCIAL POSITION</b>			
Return on invested capital <sup>(2)</sup>	12.0%	11.5%	10.4%
New orders	\$ 2,149.2	\$ 2,585.0	\$ 2,409.2
Backlog	\$ 1,950.8	\$ 1,928.7	\$ 1,674.1
Working capital as % of sales <sup>(3)</sup>	21.0%	25.4%	23.4%
Total assets	\$ 3,037.8	\$ 2,989.6	\$ 3,382.4
Total debt	\$ 966.3	\$ 953.2	\$ 953.0
Stockholder's equity	\$ 1,291.2	\$ 1,255.4	\$ 1,478.4
<b>OTHER YEAR-END DATA</b>			
Cash flow from operations	\$ 423.2	\$ 162.5	\$ 331.8
Capital expenditures	\$ 46.8	\$ 35.5	\$ 67.1
Free cash flow <sup>(4)</sup>	\$ 376.4	\$ 272.0	\$ 264.7
EBITDA	\$ 404.1	\$ 411.4	\$ 401.3
Depreciation and amortization	\$ 96.0	\$ 100.8	\$ 118.9
Shares of stock outstanding at December 31	44.2	44.6	47.9
Number of registered shareholders <sup>(5)</sup>	3,770	4,038	4,321
Number of employees <sup>(5)</sup>	7,946	8,421	8,911

Note: Amounts may not add due to rounding.

(1) Reported on a continuing operations basis.

(2) Return on invested capital is equal to net operating profit after-tax over two-year average net debt plus equity and excludes equity from discontinued operations.

(3) Working capital is equal to accounts receivable plus inventory minus accounts payable, deferred income and deferred development costs.

(4) Free cash flow is defined as cash flow from operations less capital expenditures. 2015 adjusted to remove the \$145 million contribution to the Company's corporate defined benefit pension plan.

(5) Actual number, not in millions.



# DIRECTORS

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## DAVID C. ADAMS

Chairman and Chief Executive Officer;  
Director, Snap-on Incorporated

## DEAN M. FLATT

Director, Ducommun, Inc.; Former President and  
Chief Operating Officer of Honeywell International's  
Defense and Space Business

## S. MARCE FULLER

Former President and Chief Executive Officer  
of Mirant Corporation, Inc.  
(formerly known as Southern Energy, Inc.)

## RITA J. HEISE

Director, Fastenal Company; Former Corporate  
Vice President and Chief Information Officer  
of Cargill, Incorporated

## DR. ALLEN A. KOZINSKI

Former Vice President of Global Refining  
of British Petroleum PLC

## JOHN R. MYERS

Former Chairman and Chief Executive Officer of  
Tru-Circle Corporation; Management Consultant;  
Former Non-Executive Chairman of the Board of  
Garrett Aviation Services

## JOHN B. NATHMAN

Admiral, U.S. Navy (Ret.)

## ROBERT J. RIVET

Former Executive Vice President, Chief Operations, and  
Administrative Officer of Advanced Micro Devices, Inc.

## ALBERT E. SMITH

Director, Tetra Tech, Inc. and CDI Corporation; Former  
Executive Vice President of Lockheed Martin Corporation

## PETER C. WALLACE

Director, Applied Industrial Technologies, Inc. and Rogers  
Corporation; Former Chief Executive Officer and Director  
of Gardner Denver Inc.; Former President, Chief Executive  
Officer, and Director of Robbins & Myers, Inc

# OFFICERS

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## DAVID C. ADAMS

Chairman and Chief Executive Officer

## GLENN E. TYNAN

Vice President and Chief Financial Officer

## THOMAS P. QUINLY

Vice President and Chief Operating Officer

## PAUL J. FERDENZI

Vice President, General Counsel, and Corporate Secretary

## HARRY S. JAKUBOWITZ

Vice President and Treasurer

## K. CHRISTOPHER FARKAS

Vice President and Corporate Controller

# SHAREHOLDER INFORMATION

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## CORPORATE HEADQUARTERS

13925 Ballantyne Corporate Place, Suite 400  
Charlotte, NC 28277  
www.curtisswright.com  
Tel: (704) 869-4600

## ANNUAL MEETING

The 2017 annual meeting of stockholders will be held on Thursday, May 11, 2017, at the Ballantyne Business Center, 13850 Ballantyne Corporate Place, Suite 500, Charlotte, NC 28277, commencing at 10:00 a.m. local time.

## STOCK EXCHANGE LISTING

The Corporation's common stock is listed and traded on the New York Stock Exchange under the symbol CW.

## COMMON SHAREHOLDERS

As of December 31, 2016, the approximate number of registered holders of record of common stock, par value of \$1.00 per share of the Corporation, was 3,770.

## FORWARD-LOOKING STATEMENTS

This brochure contains not only historical information, but also forward-looking statements regarding expectations of future performance of the Corporation. Forward-looking statements involve risk and uncertainty. Please refer to the Corporation's 2016 Annual Report on Form 10-K for a discussion relating to forward-looking statements contained in this brochure and risk factors that could cause future results to differ from current expectations.

## STOCK TRANSFER AGENT AND REGISTRAR

For services such as changes of address, replacement of lost certificates or dividend checks, and changes in registered ownership, or for inquiries as to account status, write to Broadridge Corporate Issuer Solutions, Inc., P.O. Box 1342, Brentwood, NY 11717 or overnight to 1155 Long Island Avenue, Brentwood, NY 11717. Please include your name, address and telephone number with all correspondence. Telephone inquiries may be made toll-free to (855) 449-0995, or to (720) 864-4772 internationally. Internet inquiries should be directed to <http://shareholder.broadridge.com/curtisswright> and by email to [shareholder@broadridge.com](mailto:shareholder@broadridge.com). Hearing-impaired shareholders are invited to log on to the website and select the Live Chat option.

## DIRECT STOCK PURCHASE PLAN/ DIVIDEND REINVESTMENT PLAN

A plan is available to purchase or sell shares of Curtiss-Wright common stock. The plan provides a low-cost alternative to the traditional methods of buying, holding and selling stock. The plan also provides for the automatic reinvestment of Curtiss-Wright dividends. For more information, contact our transfer agent, Broadridge Corporate Issuer Solutions, Inc., P.O. Box 1342, Brentwood, NY 11717, toll-free at (855) 449-0995.

## INVESTOR INFORMATION

Investors, stockbrokers, security analysts and others seeking information about Curtiss-Wright Corporation should contact James M. Ryan, Senior Director of Investor Relations, at (704) 869-4600 or [investor@curtisswright.com](mailto:investor@curtisswright.com)

## SHAREHOLDER COMMUNICATIONS

Any stockholder wishing to communicate directly with our Board of Directors should write to Dr. Allen A. Kozinski, c/o Curtiss-Wright Corporation, 13925 Ballantyne Corporate Place, Suite 400, Charlotte, NC 28277.

## FINANCIAL REPORTS

This brochure includes some of the periodic financial information required to be on file with the Securities and Exchange Commission. The Corporation also files an Annual Report on Form 10-K, a copy of which may be obtained free of charge. These reports, as well as additional financial documents such as quarterly shareholder reports, proxy statements, and quarterly reports on Form 10-Q, may be obtained by written request to James M. Ryan, Senior Director of Investor Relations, at the Corporate Headquarters or through the Investor Relations section of the Corporation's website: [www.curtisswright.com](http://www.curtisswright.com).

# ***CURTISS - WRIGHT***

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Charlotte, NC 28277

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